

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL MEMORANDUM**

**HB 12 - SB 433**

March 25, 2019

**SUMMARY OF ORIGINAL BILL:** Prohibits local governments from requiring a license, permit, or imposing regulations for certain businesses and from charging any fee for certain home-based businesses.

**FISCAL IMPACT OF ORIGINAL BILL:**

Decrease Local Revenue -- Exceeds \$429,500

**IMPACT TO COMMERCE OF ORIGINAL BILL:**

Decrease Local Revenue -- Exceeds \$429,500

**SUMMARY OF AMENDMENT (005943):** Deletes and rewrites all language after the enacting clause such that the substantive change limits the prohibition on requiring a license, permit, or imposing regulations, solely to businesses operated by persons under the age of 18, located on private property, and generating less than \$3,000 in gross receipts, not including gratuities, in a calendar year.

**FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:**

**NOT SIGNIFICANT**

Assumptions for the bill as amended:

- Pursuant to Tenn. Code Ann. § 67-4-723(b)(2), businesses making less than \$3,000 in annual sales are not required to obtain a business license or a minimal activity license.
- The proposed language would prevent any gratuities from being included in the calculation of gross receipts of an applicable business.
- According to the Department of Revenue, gratuities received are not included when computing gross receipts for the purpose of business licenses.
- Prohibiting a local government from imposing further regulation on this specific type of business will not result in any significant fiscal impact to local government.

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## **IMPACT TO COMMERCE WITH PROPOSED AMENDMENT:**

### **NOT SIGNIFICANT**

Assumptions for the bill as amended:

- Pursuant to Tenn. Code Ann. § 67-4-723(b)(2), businesses making less than \$3,000 in annual sales are not required to obtain a business license or a minimal activity license.
- The proposed legislation will not result in any significant impact to jobs or commerce in Tennessee.

## **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

/jrh